Performance Perspective

Creating A High Performance Program:
The Performance Framework

Reducing Costs, Increasing Accountability, Measuring Performance, Streamlining, Reinventing, Continuously Improving

Seattle's policymakers, managers, employees and citizens all recognize the importance of these lofty goals in making government more efficient and effective. However, actually achieving each of these desirable goals often seems to call for amounts of time and energy not readily available to managers as they carry out their daily tasks. Some of these objectives can even seem at cross-purposes (for example, increasing accountability while producing cost savings). Yet, organizations are finding that appropriately designing an overall performance framework allows them to achieve these and other goals as part of their everyday work environment and enables them to find a synergy which is lacking when striving after the goals one by one. A performance framework integrates **goal setting, management accountability systems, and performance measurements**. In this way, a performance framework ensures that an organization clearly communicates what it wants to accomplish, keeps it on track, and determines the extent to which it is reaching its goals. By doing these things, the performance framework systematically and simultaneously works toward the many desirable goals we described above in making an organization both more efficient and more effective.

The Performance Framework

Goals and Objectives

Accountability

Program Effectiveness!

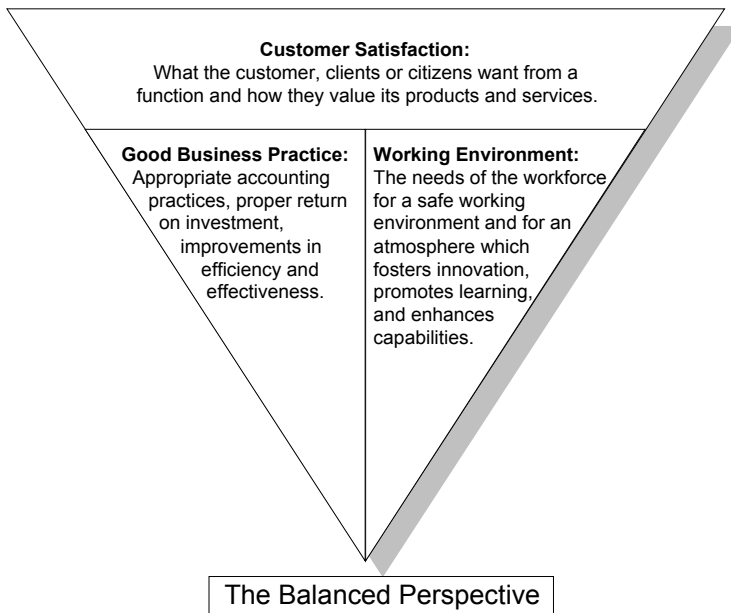Performance Measures
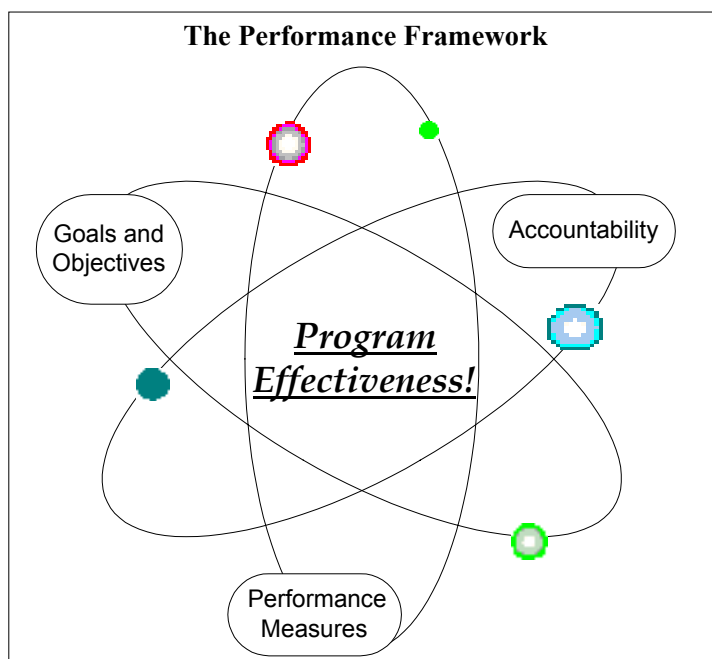
Setting Goals and Objectives

In any endeavor, setting the right goals and objectives and explicitly prioritizing and balancing them is the critical first step for the City's policymakers and managers. Explicitly prioritizing is particularly important because many, if not most, City functions have to juggle somewhat conflicting goals. For example, the zoo's goal of a healthy natural environment for the animals may conflict with its goal of ample viewing opportunities for the public; a department's goal of providing friendly, helpful service to customers may not be fully consistent with its goal of ensuring timely payment of accounts receivable; and a contracting function's goal of obtaining goods and services at lowest cost may work at cross-purpose with its goal of increasing opportunities for women and minority businesses. To the extent that elected policymakers and senior managers do not explicitly identify, balance and prioritize program goals and objectives they run the risk that operational priorities will differ significantly from what they would wish.

Goals and Objectives Continued...

In the second step of a performance framework, senior managers **link goals and objectives** at all organizational levels under their control to ensure that lower level goals and objectives reflect upper level goals and objectives. This process provides a strategic perspective ('big picture') which ensures that program goals and objectives fit into the larger goals and objectives of the department, and the departmental goals and objectives fit into the larger goals and objectives of the City.

The third step is to develop a **complete and well balanced set of goals and objectives**, it is important to view programs and functions from a balanced set of perspectives. Such perspectives include customer satisfaction, working environment, and good business practices. See Figure "The Balanced Perspective."

Customer Satisfaction:
What the customer, clients or citizens want from a function and how they value its products and services.

Good Business Practice:
Appropriate accounting practices, proper return on investment, improvements in efficiency and effectiveness.

Working Environment:
The needs of the workforce for a safe working environment and for an atmosphere which fosters innovation, promotes learning, and enhances capabilities.

The Balanced Perspective

What is Program Effectiveness?

Like many management initiatives, the ultimate goal of using a performance framework is to promote more effective government. When thinking about how to make a function more effective, it helps to keep in mind the many facets of effectiveness, including:

- *relevance*: Does the line of business continue to make sense?
- *appropriateness*: Is the program design and level of effort in line with the objectives?
- *achievement of intended results*: Are goals and objectives being met?
- *acceptance*: Do the constituencies or customers find the service or product satisfactory?
- *secondary impacts*: Are the significant consequences positive?
- *costs and productivity*: What is the relationships among costs, inputs, and outputs?
- *responsiveness*: Is the program able to respond to changes?
- *financial results*: Are funds and assets being acquired, spent, and accounted for appropriately?
- *working environment*: Is there an appropriate work atmosphere?

- *monitoring and reporting*: Are key performance measures being identified and reported on?

Establishing and Maintaining Management Accountability Systems

The management accountability system is the second principle component of a performance framework. It includes all the actions (for example, processes, checks and balances) that management designs to ensure each program or function accomplishes each of the goals and objectives which the organization has set for it. As such, establishing and maintaining a management accountability system constitutes one of a manager's primary responsibilities in performing his or her daily work. In addition, a management accountability system is meant to ensure that programs and functions meet the requirements of City, State and federal laws and policies; use staff time and City resources appropriately and effectively; and accurately record and account for transactions, revenues, and expenditures -- overreaching goals for all City functions and programs.

Establishing a Process for Measuring Performance

The third principal component of a performance framework is establishing, not just performance measures, but an **iterative and continuous** performance measurement process, to gauge and communicate a department's progress in meeting goals and objectives. A performance measurement process develops in three phases. In the first phase, the department selects specific measures for the goals and objectives set for its programs, then designs a data collection strategy, defines training requirements, and develops an implementation plan. In the second phase, the measures become part of the management control system, which communicates the results to the department's managers and other interested parties. In the third phase, the department assessess the results, takes corrective actions and, if necessary refines the measures or adjusts program goals.

Seattle Works! is a framework which a City-wide task force developed in 1995. It is seen as a unifying movement within City government to help the City government meet Seattle's long-term goals and develop a common understanding of how City employees can improve service delivery, create a high performance learning organization, break down bureaucratic barriers and build labor/management partnerships. Its action agenda includes an annual performance report, establishing clear priorities and performance direction from the Mayor and Council, developing outcome measures, and streamlining City systems.

The Office of City Auditor has a number of books and articles on effectiveness in the public sector, performance measures, and management controls. If you would like to borrow any of these books, please call Susan Cohen at 233-1093.